

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number 5104710113 Mine Name Golden Dragon Mine
Operator _____ Date Sent June 22, 2016
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded
Notice of File Closure & Release of Reclamation Surety
2016-06222016

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2016-06222016

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2016-06222016

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 13, 2016

Certified Return Receipt
7015 0640 0001 4528 8014

Ironshore Indemnity, Inc.
12890 Lebanon Road
Mt. Juliet, Tennessee 37127

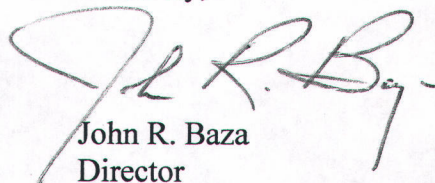
Subject: Authorization for Full Release of Reclamation Surety Bond #. N&J Associates, Golden Dragon Mine, S/047/0113, Uintah County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) authorizes full release of reclamation surety bond number _____ which was issued by Ironshore Indemnity, Inc., to ensure reclamation of N&J Associates' Golden Dragon Mine. The Division has verified that all reclamation work has been completed satisfactorily.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,



John R. Baza
Director

JRB:aa:pb

Enclosure: Original surety bond

cc: N&J Associates, Operator njsenterprises21@gmail.com

P:\GROUPS\MINERALS\WP\M047-Uintah\S0470113-GoldenDragon\final\BREL-7320-06022016.doc



Mine Name:

Other Agency File Number:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED
JUN 04 2013
DIV. OF OIL, GAS & MINING

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between NYJ ASSOCIATES the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. 5/047/0113 which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and workings; refuse banks or spoil piles; evaporation or settling

ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
 - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
 - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation

obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

N+J Associates, LLC
Operator Name

By Nancy Smith
Authorized Officer (Typed or Printed)

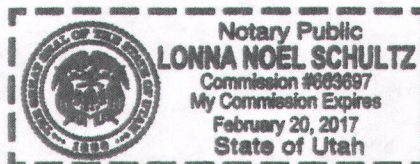
President / owner
Authorized Officer - Position

Nancy Smith 5/15/13
Officer's Signature Date

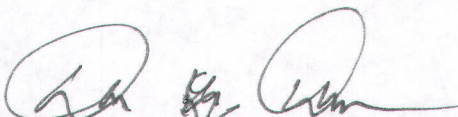
STATE OF Utah)
) ss:
COUNTY OF _____)

On the 15th day of May, 2013, Nancy Smith personally appeared before me, who being by me duly sworn did say that he/she is an Officer (owner, officer, director, partner, agent or other (specify)) of the Operator N+J Associates, LLC and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Lonna Noel Schultz
Notary Public
Residing at 497 S. Vernal, UT.
February 20, 2017
My Commission Expires:



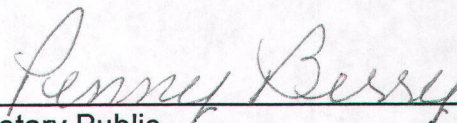
DIVISION OF OIL, GAS AND MINING:

By 
Dana Dean, P.E., Associate Director

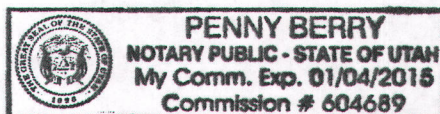
June 24, 2013
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 24 day of June, 2013, Dana Dean
personally appeared before me, who being duly sworn did say that she, the said
Dana Dean is the Associate Director of the Division of Oil, Gas
and Mining, Department of Natural Resources, State of Utah, and she duly acknowl-
edged to me that she executed the foregoing document by authority of law on behalf of
the State of Utah.


Notary Public
Residing at: Salt Lake

1/4/2015
My Commission Expires:



FACT SHEET

Commodity: GOLD

Mine Name: GOLDEN DRAGON

Permit Number: S/047/0113

County: Uintah

Disturbed Acres: 3

Operator Name: N&J Associates

Operator address: 16578 Oakmoor PL, Parker, CO 80134

Operator telephone: 303-324-0626

Operator fax: _____

Operator email: njsenterprise21@gmail.com

Contact: Nancy Smith

Surety Type: Surety Bond

Held by (Bank/BLM): Ironshore Indemnity Inc.

Surety Amount: \$19,800

Surety Account Number: _____

Escalation Year: 2016

Tax ID or Social Security (for cash only): _____

Surface owner: SITLA

Mineral owner: SITLA

UTU and/or ML number: ML 51888

RECEIVED

JUL 01 2013

DIV. OF OIL, GAS & MINING

APPROVED

JUL 01 2013

DIV. OIL GAS & MINING

*****DOGM Contact: Penny Berry, State of Utah, Division of Oil Gas and Mining, 801 538 5291 or
bondcoordinator@utah.gov**

5/047/0113
Please file
Leslie Heppler <lheppler@utah.gov>**Surety Concurrence - Golden Dragon**

2 messages

Leslie Heppler <lheppler@utah.gov>

Tue, Apr 30, 2013 at 2:18 PM

To: William Stokes <wstokes@utah.gov>

Will - I have reviewed the Notice of Intention for a SMO permit for the Golden Dragon Mine by August Inc. in Uintah County. They have requested the 3 acres of disturbance:

Bond to be held by the Division either - \$19,800 for a 3 year escalation or \$20,300 for a 5 year escalation (Operator can choose escalation year)
(see attached detail sheet of calculations)

Please send your concurrence via email. If you have any questions please call me at 801-538-5257

thx-lah

—
Utah Division of Oil, Gas & Mining

Office hours - Mon thru Fri 8-5

(801) 538-5340

Leslie Heppler

lheppler@utah.gov

Direct line (801) 538-5257 (Mon -Thur)

**Copy of SMOBondCalc04292013.xls**

23K

William Stokes <wstokes@utah.gov>

Tue, Apr 30, 2013 at 2:31 PM

To: Leslie Heppler <lheppler@utah.gov>

Thanks for providing a copy of the proposed bond amount. Your assessment satisfies the requirements of the Trust Lands Administration and we therefore concur with the bond amount.


[Quoted text hidden]

RECEIVED E-Mail

APR 30 2013

Div. of Oil, Gas & Mining

Ironshore Indemnity Inc.

 [Print this page](#) (?)

A.M. Best #: 013847 NAIC #: 23647 FEIN #: 410121640

Address: One State Street Plaza 7th Floor


New York, NY 10004

[United States](#)Web: www.ironshore.com

Phone: 646-826-6600

Fax: 646-826-6601

Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.



Based on A.M. Best's analysis, [051978 - Ironshore Inc.](#) is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. View a list of [operating insurance entities](#) in this structure.

Best's Credit Ratings

View all of the [companies](#) assigned this rating as a part of an [AMB Rating Unit](#).Financial Strength Rating [View Definition](#)

Rating: A- (Excellent)
 Financial Size Category: XIV (\$1.5 Billion to \$2 Billion)
 Outlook: Positive
 Action: Affirmed
 Effective Date: June 11, 2012
 Initial Rating Date: April 17, 2008

u Denotes [Under Review Best's Rating](#)

Best's Credit Rating Analyst

Office: A.M. Best Company, Oldwick NJ
 Managing Senior Financial Analyst: Greg Reisner
 Vice President: Robert B. DeRose

Long-Term Issuer Credit Rating [View Definition](#)

Long-Term: a-
 Outlook: Positive
 Action: Affirmed
 Effective Date: June 11, 2012
 Initial Rating Date: April 17, 2008

Reports and News

Visit Best's News and Analysis site for the latest [news and press releases](#) for this company and its A.M. Best Group.

AMB Credit Report - Insurance Professional - includes Best's Financial Strength Rating and rationale along with comprehensive analytical commentary, detailed business overview and key financial data.

Report Revision Date: 3/26/2013 (represents the latest significant change).

Historical Reports are available in [AMB Credit Report - Insurance Professional Archive](#).

Best's Executive Summary Reports (Financial Overview) - available in three versions, these presentation style reports feature balance sheet, income statement, key financial performance tests including profitability, liquidity and reserve analysis.

Data Status: 2013 Best's Statement File - P/C, US Contains data compiled as of 5/23/2013 Quality Cross Checked.

- [Single Company](#) - five years of financial data specifically on this company.
- [Comparison](#) - side-by-side financial analysis of this company with a peer group of up to five other companies you select.
- [Composite](#) - evaluate this company's financials against a peer group composite. Report displays both the average and total composite of your selected peer group.



Best's Key Rating Guide Presentation Report - includes Best's Financial Strength Rating and financial data as provided in the most current edition of Best's Key Rating Guide products. (Quality Cross Checked).

Financial and Analytical Products

[Best's Insurance Reports - Online - P/C, US & Canada](#)[Best's Key Rating Guide - P/C, US & Canada](#)[Best's Statement File - P/C, US](#)[Best's Executive Summary Report - Composite - Property/Casualty](#)[Best's Executive Summary Report - Comparison - Property/Casualty](#)[Best's Statement File - Global](#)[Best's State Line - P/C, US](#)[Best's Regulatory Center Market Share Reports](#)[Best's Insurance Expense Exhibit \(IEE\) - P/C, US](#)[Best's Schedule P \(Loss Reserves\) - P/C, US](#)[Best's Regulatory Center](#)[Best's Schedule D \(Corporate Bonds\) - US](#)[Best's Schedule D \(Common Stocks\) - US](#)[Best's Schedule D \(Municipal Bonds\) - US](#)[Best's Schedule F \(Reinsurance\) - P/C, US](#)[Best's Schedule DA \(Short Term Investments\) - P/C & L/H, US](#)

European Union Disclosures

A.M. Best Company and its subsidiaries are not registered as External Credit Assessment Institutions (ECAI) in the European Union (EU). Credit ratings issued by A.M. Best Company and its subsidiaries can not be used for regulatory purposes in the EU as per Directive 2006/48/EC.

Australian Disclosures

A.M. Best Credit Ratings are statements of opinion and not statements of fact. They are not recommendations to buy, hold or sell any securities or any other form of financial product, including insurance policies and are not a recommendation to be used to make investment/purchasing decisions. A.M. Best Asia-Pacific Ltd is registered as a Credit Rating Agency in Australia and holds a Financial Services Licence number 411055 under the Corporations Act of 2001.

A.M. Best Asia-Pacific Ltd credit ratings and any other related research are not intended for and must not be distributed to any person in Australia other than a wholesale client, as defined in the Corporations Act of 2001, Chapter 7. The A.M. Best websites are not intended for use by Australian users who are not defined as wholesale users.

Important Notice: Best's Ratings reflect our independent opinion, based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile. These ratings are neither a warranty of a company's financial strength nor its ability to meet its financial obligations, including those to policyholders. View our [entire notice](#) for complete details.

[Customer Service](#) | [Product Support](#) | [Member Center](#) | [Contact Info](#) | [Careers](#)
[About A.M. Best](#) | [Site Map](#) | [Privacy Policy](#) | [Security](#) | [Terms of Use](#) | [Legal & Licensing](#)

Copyright ©2013 A.M. Best Company, Inc. ALL RIGHTS RESERVED.
A.M. Best Worldwide Headquarters, Ambest Road, Oldwick, New Jersey, 08858, U.S.A.